



Financial Statements

June 30, 2014
(Expressed in Canadian dollars)
Unaudited

Confidential Information

The accompanying unaudited financial statements of the Corporation have been prepared by, and are the responsibility of, the Corporation's management.

Dexterity Ventures Inc.

BALANCE SHEETS (UNAUDITED)

JUNE 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
<u>Current</u>		
Cash	139	34,635
Accounts receivable	857	10,116
Prepaid expenses	<u>6,273</u>	<u>6,825</u>
	7,269	51,576
Property and equipment (note 3)	1,735	1,689
Investment in GenerUs (cost)	10,000	-
Intangible asset (note 8)	<u>517,102</u>	<u>318,885</u>
TOTAL ASSETS	<u>536,106</u>	<u>372,150</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
<u>Current</u>		
Accounts payable and accrued liabilities	137,325	42,727
Deferred revenue	-	9,020
Current portion of long term debt (note 5)	<u>4,680</u>	<u>6,622</u>
	142,005	58,369
Long term debt (note 5)	<u>234,903</u>	<u>50,099</u>
	376,908	108,468
<u>Shareholders' equity</u>		
Share capital (note 4)	531,260	526,703
Contributed surplus (note 10)	4,294	2,886
Deficit	<u>(376,356)</u>	<u>(265,907)</u>
	<u>159,198</u>	<u>263,682</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>536,106</u>	<u>372,150</u>

The accompanying notes are an integral part of these financial statements.

Dexterity Ventures Inc.

STATEMENT OF OPERATIONS AND DEFICIT (UNAUDITED)
FOR THE YEARS ENDED JUNE 30,

	<u>2014</u>	<u>2013</u>
Revenue (note 12)	225,456	37,053
<u>Operating expenses</u>		
Sales and marketing	36,875	25,065
General and administration	190,102	60,023
Stock based compensation	1,408	2,886
Amortization of intangible assets	98,762	-
Depreciation of property and equipment	<u>1,932</u>	<u>530</u>
	329,079	88,504
Loss from operations	(103,623)	(51,451)
<u>Other expenses</u>		
Interest	6,826	6,150
Net loss	(110,449)	(57,601)
Deficit, beginning of the period	(265,907)	(208,306)
Deficit, end of the period	(376,356)	(265,907)

The accompanying notes are an integral part of these financial statements.

Dexterity Ventures Inc.
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEARS ENDED JUNE 30,

	<u>2014</u>	<u>2013</u>
Cash provided by (used in)		
Operating activities		
Net loss	(110,449)	(57,601)
Items not involving cash		
Stock based compensation	1,408	2,886
Amortization of intangible assets	98,762	-
Depreciation of property and equipment	<u>1,932</u>	<u>530</u>
	102,102	3,416
Change in non-cash working capital		
Accounts receivable	9,259	(10,116)
Prepaid expenses	552	(5,038)
Software development	(344,468)	(193,970)
Government grants	47,489	75,642
Accounts payable and accrued liabilities	94,598	22,770
Deferred revenue	<u>(9,020)</u>	<u>9,020</u>
	<u>(201,590)</u>	<u>(101,692)</u>
	<u>(209,937)</u>	<u>(155,877)</u>
Investing Activities		
Investment in GenerUs	(10,000)	-
Purchase of property and equipment	<u>(1,978)</u>	<u>(1,700)</u>
	<u>(11,978)</u>	<u>(1,700)</u>
Financing Activities		
Proceeds from long term debt	5,500	-
Proceeds from issuance of shares	4,556	200,303
Proceeds from shareholders	184,126	-
Repayments of long term debt	<u>(6,763)</u>	<u>(9,788)</u>
	<u>187,419</u>	<u>190,515</u>
Increase (decrease) in cash and cash equivalents during the period	(34,496)	32,938
Cash and cash equivalents - beginning of the year	<u>34,635</u>	<u>1,697</u>
Cash and cash equivalents - end of the year	<u>139</u>	<u>34,635</u>

The accompanying notes are an integral part of these financial statements.

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2014

1. NATURE OF OPERATIONS

Dexterity Ventures Inc. (the “Company” or “Dexterity”) is privately held and founded in 2010. Dexterity engages in the development, marketing, and support of Place2Give.com. Place2Give is a donor-centred charity search engine. It provides donors with the tools they need to: search, evaluate and give to the charities that align with their passions.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management within the framework of the accounting policies summarized below:

Measurement uncertainty

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and are in accordance with Canadian generally accepted accounting principles. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Going concern

While the accompanying financial statements are prepared on a going-concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business, there are material uncertainties and conditions that cast doubt about the validity of this assumption. The Company has not yet realized profitable operations, has generated negative cash flows from operating activities and has an accumulated deficit of \$376,356 (June 30, 2013 - \$265,907). The Company continues to rely on external sources of debt, equity and government grants to fund operations. The Company must seek additional forms of debt or equity financing, but cannot provide assurances that this will be successful. Strategies have been developed and are being undertaken to increase revenue from sales of products and services that are being realized in the next fiscal year. These financial statements do not reflect adjustments to the carrying values of the assets and liabilities, reported revenues and expenses, and balance sheet classifications that would be necessary if the company was unable to continue as a going concern. Such adjustments could be material.

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2014

Cash

Cash includes cash on hand, demand deposits and investments in highly liquid money market instruments which are readily convertible at the time of purchase to known amounts of cash in less than three months.

Revenue recognition

Revenue is recognized when the Company transferred to the buyer the significant risks and rewards of ownership, the Company retains no continuing managerial involvement in, or effective control of the goods transferred to a degree usually associated with ownership, and all the following criteria are met:

- Persuasive evidence of an arrangement exists.
- Delivery has occurred.
- The price to the buyer is fixed or determinable.
- Collection is reasonably assured.

Revenues from the development of custom software products is recognized by the stage of completion of the arrangement determined using the percentage of completion method. The revenue and profit of contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period.

Research and development costs

The Company incurs costs to research and develop its proprietary software products to be sold, licensed or otherwise marketed. Research costs are expensed as incurred. Development costs are expensed as incurred unless a project meets certain criteria for capitalization and amortization. In this case the development costs are capitalized and amortized over the estimated useful life of the software product developed. Amortization of capitalized development costs commences when development of the software is complete and the product is available for sale to customers.

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

JUNE 30, 2014

Government grants and investment tax credits (ITCs)

The Company receives numerous government grants from provincial and federal government which relate to its development costs. These grants are recorded as reduction of intangible assets when the Company has complied with all conditions necessary to receive the grants, collectability is reasonably assured and the amounts are not repayable. The benefits of investment tax credits (“ITCs”) for scientific research and experimental development expenditures (“SR&ED”) are recognized in the year that they are received. The ITCs reduce the carrying cost of intangible assets to which they relate.

Income taxes

The Company accounts for income taxes using the income tax payable method. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period. The income tax effects of temporary differences are not recognized.

Stock-based compensation

The company has a stock-based compensation plan as disclosed in note 9 whereby stock options are granted in accordance with the policies of applicable regulatory authorities. Any consideration paid by employees upon the exercise of stock options is recorded as share capital. The Company records stock-based compensation based on the estimated fair market value of the stock options using the Black-Scholes option pricing model. When options are granted the compensation cost is measured at fair value at the date of grant and is expensed to operations over the award’s vesting period. The effects of forfeitures are accounted for as they occur.

Property and equipment

Property and equipment are recorded at cost. The Company provides for depreciation using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Computer hardware	2 years
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Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2014

Intangible assets

The Company incurs costs associated with the design and development of new products. Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria: (i) the technical feasibility of completing the intangible asset so that it will be available-for-use or sale; (ii) its intention to complete the intangible asset and use or sell it; (iii) its ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise, they are expensed as incurred.

The Company records amortization of internally generated intangible assets with finite lives using the declining balance method using an annual rate of 20%.

Financial Instruments

The Company records cash, accounts receivable, accounts payable and accrued liabilities and long-term debt at amortized cost. The Company accounts for financial instruments which include a liability and equity component by allocating the entire proceeds of issue to the liability component. The equity component is measured at zero.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

3. PROPERTY AND EQUIPMENT

June 30, 2014	Cost	Accumulated depreciation	Net book value
Computer Hardware	4,312	2,577	1,735

June 30, 2013	Cost	Accumulated depreciation	Net book value
Computer Hardware	2,335	646	1,689

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2014

4. SHARE CAPITAL

The Company is incorporated under the laws of Canada and has an authorized capital consisting of an unlimited number of voting Class A shares and unlimited non-voting Class B shares.

The following table presents the changes in the Company's share capital:

	Number of Class A shares	Amount (\$)	Number of Class B shares	Amount (\$)	Total (\$)
Balance at June 30, 2012	4,785,667	301,400	-	-	4,785,667
Issued	347,769	200,303	-	-	200,303
Loans converted to equity	208,333	25,000	-	-	25,000
Balance at June 30, 2013	5,341,769	526,703	-	-	526,703
Issued	-	-	5,995	4,557	4,557
Balance at June 30, 2014	5,341,769	526,703	5,995	4,557	531,260

5. LONG TERM DEBT

Long term debt is comprised of loans received from shareholders and Royal Bank of Canada.

The summary of outstanding debt is as follows:

	June 30, 2014	June 30, 2013
Shareholders loan – non-interest bearing loan from Gena Rotstein	27,665	6,039
Shareholders loan – non-interest bearing loan from Ben Shani	162,500	-
Royal Bank of Canada – Line of credit, Prime rate+9%.	49,418	48,584
CYBF - floating rate (2%-3%).	-	2,098
Total debt	239,588	56,721
Less current portion	(4,680)	(6,622)
Long term debt	234,903	50,099

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

JUNE 30, 2014

6. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of June 30, 2014.

Interest rate risk

Interest risk is the risk that the future cash flows or fair values of the Company's financial instruments fluctuate because of changes in market interest rates. At June 30, 2014 the Company has interest rate risk on its outstanding loans from RBC. The Company expects to retire this debt from operating cash flow and issuance of common shares or convertible debentures.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its long-term debt and accounts payable.

7. GOVERNMENT REMITTANCES

Government remittances consist of amounts (such as business taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances as at June 30, 2014 the balance is \$53,617 (June 30, 2013 - \$7,949).

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
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8. INTANGIBLE ASSET

Cost	Place2Give Website
Balance at June 30, 2012	200,557
Additions	193,970
Government grants	(54,502)
Investment tax credits	(21,140)
Balance at June 30, 2013	318,885
Additions	344,468
Government grants	(47,489)
Balance at June 30, 2014	615,864
Accumulated amortization	
Balance at June 30, 2012	-
Amortization	-
Balance at June 30, 2013	-
Amortization	98,762
Balance at June 30, 2014	98,762
Net book value	
Balance at June 30, 2012	200,557
Balance at June 30, 2013	318,885
Balance at June 30, 2014	517,102

9. STOCK-BASED COMPENSATION

The Company's stock-based compensation plan is to encourage ownership of stock by employees in order to align their interest with the long term success of the Company. The Company records the estimated fair value of the stock-based awards as compensation expense over the vesting period with a corresponding credit to contributed surplus. Any consideration paid by employees on exercise of share options or purchase of shares, together with the amount initially recorded in contributed surplus, is credited to share capital.

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2014

A summary of the status of the Company's stock option plan is presented below:

	Year ended June 30,			
	2014		2013	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Stock options outstanding beginning of period	260,000	0.10	-	-
Granted	52,000	0.76	260,000	0.10
Outstanding, end of period	312,000	0.21	260,000	0.10

The fair values of the options granted during the year ended June 30, have been determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2014</u>	<u>2013</u>
Expected dividend yield	0%	0%
Stock price volatility	11%	18%
Risk free interest rate	1.66%	1.04%
Expected life of options	4 years	2 years
Fair value of a share	\$0.76	\$0.10
Fair value of a stock option	\$0.0918	\$0.0111

At June 30, 2014, the following stock options are outstanding:

Number of stock options outstanding	Exercise price \$	Weighted average remaining life (years)	Number of stock options exercisable
260,000	0.10	0.25	260,000
52,000	0.76	2.66	-
312,000		0.65	260,000

Dexterity Ventures Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
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10. CONTRIBUTED SURPLUS

The following table presents the changes in contributed surplus:

	Amount (\$)
Balance at June 30, 2012	-
Stock-based compensation	2,886
Balance at June 30, 2013	2,886
Stock-based compensation	1,408
Balance at June 30, 2014	4,294

11. RELATED PARTY DISCLOSURES

During the year ended June 30, 2014 the Company charged technology license fees of \$207,808 (2013 – \$6,284) to Place2Give Foundation in which officers and directors had an ownership interest.

12. REVENUE

	Year ended June 30,	
	2014	2013
Charity app challenge	9,020	30,669
Consulting fees	8,628	100
License fees – related party	207,808	6,284
	225,456	37,053